

Message Text

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ACTION ARA-20

INFO OCT-01 ISO-00 SEC-03 MC-02 PM-07 DODE-00 EB-11

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R 122221Z FEB 74

FM AMEMBASSY SAN SALVADOR

TO SECSTATE WASHDC 4712

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E.O. 11652 - N/A

TAGS: BBAK, ESTN, ES

SUBJECT: PATTERSON CORPORATION (CENTRAL AMERICAM AEROSPACE)

REF: A) SAN SALVADOR 0448; B) STATE 026338

ALSO PASS ILAB FOR FRANK STEIN

1. LARRY CARR (PRESIDENT OF PATTERSON CORP.), RICHARD GONZALEZ (SR. VICE PREIDENT), AND AN AMCIT TECHNICIAN, CALLED AT THE EMBASSY FEB 8 TO DISCUSS THE ISSUE OF MUNITIONS CONTROL LICENSE. EMBOFF HAD MENTIONED IT TO CARR ON NUMEROUS OCCASIONS AND CARR SAID HE HAD INSTRUCTED HIS PEOPLE IN THE US TO LOOK INTO THE MATTER. GONZALEZ, WHO HAS BEEN LOOKING AFTER THE EXPORT ARRANGEMENTS IN SAN DIEGO, RETURNED HERE RECENTLY AND BROUGHT THE DEPARTMENT OF COMMERCE GENERAL EXPORT LICENSE HE HAD JUST OBTAINED. THE ABSENCE OF A MUNITIONS CONTROL LICENSE PROMPTED CARR'S VISIT AND REQUEST FOR ADDITIONAL INFORMATION. GONZALEZ SAID THE GENERAL EXPORT LICENSE WAS ISSUED THROUGH THE LOS ANGELES CUSTOMS OFFICE ON THE BASIS OF CUSTOM'S REVIEW OF THE PROPOSED EXPORT INVENTORY LIST (WHICH MAY NOT INCLUDE MATERIAL PURCHASED FROM US MILITARY DISPOSAL SALES). THE GENTLEMEN PERUSED THE RELEVANT PORTIONS OF 10 FAM AND WERE OF THE OPINION THAT THE DEFINITIONS DID NOT ENCOMPASS THE PARTS OF "NON-MILITARY" CRAFT THEY INTEND TO EXPORT.

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THEY PLAN TO PURSUE THIS WITH CUSTOMS AT LOS ANGELES FIRST,

FOCUSING ON THE MUNITIONS CONTROL REQUIREMENT AND BASED ON ADVICE RECEIVED, PURSUE THE MATTER FURTHER. THE EMBASSY PROVIDED THEM THE ADDRESS AND TELEPHONE NUMBERS OF MUNITIONS CONTROL AND THE ARA/CEN/ES DESK OFFICER. CARR REPEATED THAT HE RAISED THE MUNITIONS CONTROL POSSIBILITY WITH HIS STAFF AS SOON AS WE RAISED THE MATTER (DEC 11) AND IN NO WAY WANTS TO AVOID COMPLIANCE WITH ANY LAW OR REGULATION.

2. CARR AND ASSOCIATES CONTINUE TO ADVANCE WITH LOCAL PLANS FOR CENTRAL AMERICAN AEROSPACE. SEVERAL LOCATIONS NEAR ILOPANGO AIRPORT ARE BEING CONSIDERED FOR LEASING, THE REQUEST FOR GRANTING OF FISCAL INCENTIVES IS "80 PERCENT THROUGH THE MINISTRY OF ECONOMY", AND APPLICATIONS HAVE BEEN DRAWN UP FOR REGISTRATION OF THE COMPANY (APPLICATION WILL BE SUBMITTED WHEN THE INVENTORY IS IN COUNTRY SO THE CAPITALIZATION WILL EQUAL THE VALUE OF 55 MILLION COLONES -(\$22 MILLION). AN OFFICE IS OPERATING FROM CARR'S RESIDENCE AND LOCAL RECRUITMENT HAS BEGUN.

3. A NEW ASPECT OF PATTERSON'S PROPOSED INVESTMENT IS THE POSSIBLE TRANSFER OF OPERATIONS TO EL SALVADOR OF WHAT CARR DESCRIBES AS PATTERSON'S 100 PERCENT-OWNED SUBSIDIARY, BOB CHERON MANUFACTURING CO. OF SAN DIEGO, CALIFORNIA. A MANUFACTURER OF JACKETS/SUITS (CARR SAID ONE MILLION UNITS A YEAR), IT WOULD EMPLOYE AROUND 400 HERE AND AS A "DRAWBACK" OPERATCON WOULD EXPORT TO THE US. BOB CHERON, ITS PRESIDENT, IS EXPECTED HERE SOON TO INVESTIGATE THE POSSIBILITIES OF TRANSFER. SINCE CARR AND ASSOCIATES DID NOT KNOW THE CONTENT OF MATERIAL USED IN THIS PRODUCTION THE EMBASSY SUGGESTED THEY ESTABLISHED WHETHER OR NOT IT MAY FALL UNDER THE COTTON TEXTILE QUOTA ESTABLISHED UNDER THE US/EL SALVADOR BILATERAL.

4. A COPY OF CEMTRAL AMERICAN AEROSPACE'S BROCHURE ON THE VULCAN II HELICOPTER AND INFORMATION CARR WROTE ON FEB 8 CONCERNING PRESENT OFFICERS OF PATTERSON AND CENTRAL AMERICAN AEROSPACE WILL BE AIRPOUC#3D TO ARA/CEN/ES FEB 12.
MOSKOWITZ

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Message Attributes

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